



Bulletin 13-001

March 26, 2013

Grant Management Requirements for EMPG Recipients

To: Current EMPG sub-grantees
All HSEM

From: Kris A. Eide, Director

The purpose of this bulletin is to outline the Federal and State requirements for the management and reporting of EMPG grants. It is advised that you share this notice with your accounting department or County Auditor, as some of the information pertains to financial reporting and record-keeping.

EMPG Financial Status Reports (FSRs) & Record Keeping

Please note the following requirements as you maintain your grant file throughout the year and prepare your reimbursement requests:

1. Financial Status Reports

In order to process a reimbursement request, or FSR, and make a payment to a sub-grantee, HSEM must have clear records indicating the specific emergency management costs that are being reimbursed with grant funds. For that reason, sub-grantees must be detailed when completing the FSR forms in E-Grants and must submit a clear and accurate report from their financial system to document the expenditures.

This report must:

- A. Show the income and expense for only the Emergency Management account;
- B. Show the financial activity for only the reporting period; and
- C. Include expenditure totals that match the amounts entered into the FSR, budget, and paid-staffing forms in E-Grants.

FSRs that are vague, unclear, or are not accompanied by adequate financial reports will be returned to the sub-grantee for additional information and payments will be withheld.

2. Record Keeping

Though you are not required to submit source documentation such as invoices and packing slips for expenditures with your FSRs, you must keep this documentation on file and make it available upon request.



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Emergency Management Budget

When submitting your budget to HSEM and entering it into E-Grants for your EMPG grant application, please be aware of the following requirements (effective 1/1/2014 for the fiscal year 2014 EMPG grants):

1. Non-Comingling

Comingling is the mixing or blending of funds so that expenditures cannot be identified as pertaining to a particular grant, project, or indirect activity. FEMA requires that recipients of Federal grant funds utilize financial systems that provide for effective control over and accountability for all funds, with separate accounts established for each project.

Your local financial system must have an account for Emergency Management income and expense and allow you to pull together clear reports of Emergency Management financial data separate from any other stream of income or expense. To have the Emergency Management account combined with others would be comingling.

2. Non-Supplanting

Grant funds should *increase* the overall amount of Emergency Management resources available and must never replace (supplant) funds that have been budgeted for the same purpose through non-Federal sources.

You must ensure that EMPG money is not used to pay for something (or someone) that has already been allocated for from another funding source, like a local general fund. To pay for something with EMPG funds that would otherwise be funded with local funds would be supplanting.

3. Paid Staff

If you plan to request reimbursement for salary and benefits of staff who are paid to do emergency management work, then the emergency management portion of their salary must be included in the emergency management financial account that you submit. Any portion of their salary not affiliated with emergency management work must not be in the emergency management financial account.

For example, if your county Emergency Management Director's salary and benefits total \$100,000 and he or she spends 60% of their time on emergency management work, then the emergency management account must only include \$60,000 for their salary and benefits.

For more information

Review the Code of Federal Regulations (44 CFR 13.32), HSEM Information Bulletin 12-003 ("Non-Supplanting and Non-Comingling Requirements for EMPG Recipients" sent 10/30/2012) or contact Kathryn Halling, HSEM Grants Monitor, at Kathryn.Halling@state.mn.us or (651) 201-7493.